

Operations Minutes October 20, 2020

The Berks County Board of Commissioners met Tuesday, October 20, 2020 at 9:30 a.m. via Microsoft Teams Live pursuant to due notice to Board members and the public.

The following matters were discussed:

1. Colebrookdale Railroad Investment Study – Update discussion on loan – Ken Pick, Berks County Redevelopment Authority (“RDA”), Nathaniel Guest, Colebrookdale Railroad and Bob Patrizio, Berks County Chief Financial Officer.

Mr. Pick advised the Commissioners he and Nathaniel participated in a discussion with a representative from the U.S. Department of Transportation, Federal Railway Administration concerning the Colebrookdale Railroad and its improvements. They were informed about a very interesting concept of a loan from the one program related to railroads. Mr. Pick mentioned the loan would be for a 35 year period at a very low interest rate, but the most interesting part is payments would start when the project is substantially completed. The other interesting aspect of the program is you can then delay interest and principal payments for another 5 years. If the RDA took out the loan, no payments would have to be made for 7 or 9 years.

Mr. Guest agreed these are very favorable loan terms and good interest rate and very flexible with use of the funds. The application process is herculean and very detailed, it could take a year from the beginning to submit the application.

When asked by the Board, Mr. Pick is confident the RDA and Railroad will be able to make payments. Mr. Pick said the RDA needs a letter from the Commissioners guaranteeing the loan that must be included in the application.

Mr. Patrizio said the County’s guarantee of the loan would have an impact on the County’s credit rating and will have to report the guarantee on the municipal bond report. Mr. Patrizio noted one difference in this situation is the County would not receive direct revenue from the project.

After an in depth discussion on the positive and negative impact of the County guaranteeing the project the Commissioners agreed this is not an easy decision. The County has already heavily invested in this operation over the last nine years, and now there is a need for significant infrastructure improvements. If the loan is not guaranteed, the alternative is the Railroad would ‘go away’. The clearest risk is doing nothing. Commissioner Leinbach went on record that he cannot turn back after the investments the County has made and in light of the fact of the success of the Railroad over that number of years he supports guaranteeing the loan.

Commissioner Rivera acknowledged it is a big decision, but because of all the work, efforts and investments put into the Railroad, and because of its’ success moving forward the option of not guaranteeing is not an option and would agree to move forward.

Commissioner Barnhardt asked what option is being recommended. Mr. Guest replied scenario 2.

Commissioner Leinbach asked if there was motion.

Commissioner Rivera motioned to move forward and guarantee the loan. Said motion was seconded by Commissioner Barnhardt, with a comment that between now and the

application submittal his notes and concerns are fully vetted and addressed regarding reaching out to Montgomery County on their intentions and the Martin Stone Quarry. Commissioner Leinbach agreed and incorporated Commissioner Barnhardt's concerns into the motion and directed the RDA and Eastern Berks Gateway Railroad to work with Martin Stone Quarry for additional freight customers and a stronger more well-defined relationship with Montgomery County. The motion carried.

2. Children & Youth Services - CWIS ("Child Welfare Information System") software discussion - Brandy Neider, Acting Director of Children and Youth Services and Justin Loose, Chief Information Officer.

Ms. Neider reported that the State is committed to implementing a one case management system across the Commonwealth by 2023, even though there has been no real opportunity to meet and comment due to COVID-19. About seven years ago, the State gave counties the authority to decide to opt into a common system or build their own. Berks County chose to build their own and hired Weidenhammer to build its system and has since been working on a case management system. The State's intent over the next three years is to fund counties' systems less and less until the new State system is fully operational in 2023. Ms. Neider said her concern is that the CYS will not be able to maintain our system with the reduced funding from the State, and our concern with the State's new system. Ms. Neider noted the State has had three prior failed systems. Mr. Loose said there were a lot of factors that led to the County rebuilding our own system, and the County's investment has been significant over the years because of State mandated changes. Mr. Loose said if we move to the new Statewide system we will lose functionality with our providers, which is unique to Berks County, and allows our providers to electronically submit invoices instead of having a staff member manually enter the data. Mr. Patrizio agreed, our system is working well, this would be a major set back to the County and costly.

After discussion, the Board directed CAO Ron Seaman and Deputy CAO Pam Shupp Menet to set up a meeting after the Election with Berks County House and Senate leadership members on the Department of Human Services committee to discuss this project initiative of the State.

3. New Start Grant Program recipient list – Commissioner Michael S. Rivera and Pamela Shupp Menet, Deputy Chief Administrative Officer and Berks County Economic Development Director.

Mr. Rivera reported the Grantee list of potential recipients has been scored. There were about 480 applications, and after scoring 286 businesses were chosen. Commissioner Rivera said the next step is for the Board of Commissioners to vote and approve the list. When that is done, Community First Fund can begin the process of reaching out to the businesses to sign a release and provide any additional required documents. CFF will also conduct an additional background check of the 286 businesses. Commissioner Rivera said the list will be made public November 4, after all potential businesses have signed the release.

Commissioner Rivera is asking for approval of the list, but it is possible that between the date of this action by the Board and the grant underwriting and contracting phase, that awardees may be determined ineligible or may opt to not accept grant funds. In that case,

we entrust that the Selection Committee, made up of staff from the County of Berks and Community First Fund, will substitute awardees with those next in the application scoring queue.

Commissioner Barnhardt and Pam Shupp Menet proposed, that based on their recent calculations of CARES Act funds already committed, including the \$6 million for the Small Business New Start Program, the four categories under the Berks County CARES Grant Program, Helping Harvest and actual County expenses related to COVID-19, there is an additional \$6 million that he and Ms. Shupp Menet recommend funding to the Small Business New Start Grant Program for a total \$12 million.

Commissioner Barnhardt motioned to approve a not to exceed \$12 million to the Small Business New Start Grant Program. Said motion was seconded by Commissioner Rivera. The motion carried.

4. Community First Fund Grant Request/ COVID-19 Small Business Relief and Recovery Efforts - Daniel Betancourt

Mr. Betancourt attended the meeting to make a formal request for \$1 million grant from the CARES Act funds to support the Community First Fund Loan Loss Reserve Fund because of COVID-19.

Mr. Betancourt said the loan loss is due to CFF's pandemic response efforts in Berks County. The grant will increase CFF's loan loss reserves to meet its expected losses and strengthens its position to continue to advance its mission. When asked by Commissioner Leinbach, Mr. Betancourt said they are making similar requests with other counties.

Commissioner Barnhardt reached out to Witt O'Brien's if this would qualify to CARES Act funds, and noted it does show up on the DCED website as allowable, but Commissioner Barnhardt was concerned that this will be going to a 'reserve' fund and not spent by the end of the year, and asked that if the Board approves this request, CFF would be required to provide the data the County would need for its report to DCED prior to the end of the year on what was charged to the loan loss.

After discussion, a motion was made by Commissioner Rivera to provide CFF their loan reserve request of \$1 million. Said motion was seconded by Commissioner Barnhardt.

At this time, Ms. Shupp Menet asked that we make sure that this loan does not count against our administrative costs for CARES Act. Commissioner Chair Leinbach asked for a friendly amendment that this would be pursuant to review and approval of our Chief Administrative Officer and Solicitor's Office. All agreed and the motion carried.

5. Commissioner Barnhardt reported that at the CJAB Steering meeting this morning they were informed there is a second allocation of PCCD money in the amount of \$90,197 for COVID related expenses. Commissioner Barnhardt provided a list of various projects His ask today is to shift the PCCD grant money to court technology projects as set forth in the following motion.

Commissioner Barnhardt motioned for the Board of Commissioners to support the \$90,197 PCCD COVID Grant to be applied to courtroom technology upgrade as delineated by Justin Loose and the balance of that money would come out of the general operating expense and the additional expenses related to COVID-19 come from the CARES Act fund. Commissioner Rivera seconded the motion. The motion carried.

6. Commissioner Leinbach had a request to borrow the Holiday Lights, and wondered why the County cannot hold Holiday Lights as strictly an outdoor event, the Snack Shop will not be open. Mr. Seaman mentioned that typically there would be a parking fee and recommended this be a free event this year.
After a brief discussion, Commissioner Rivera made a motion to hold Holiday Lights as strictly an outdoor event, the Snack Shop will not be open and there is no admission fee this year. Said motion was seconded by Commissioner Barnhardt. The motion carried.
7. Due to personal reasons, Commissioner Barnhardt asked if the Media Event scheduled next Wednesday, October 28, 2020 be moved to 4:00 p.m. instead of 3:30 p.m. Commissioner Leinbach and Commissioner Rivera agreed to move the start

Comments - None.

There being no further business, the meeting adjourned at 10:58 A.M.

Respectfully Submitted,

Maryjo Gibson, Chief Clerk